

MANUAL OF CONSTRUCTION SUPERVISION AND INSPECTION PROCEDURES FOR WORK BY RAILROAD FORCE ACCOUNT



*** JANUARY 1984**

RAIL DIVISION/RAIL OPERATIONS BUREAU



NEW YORK STATE DEPARTMENT OF TRANSPORTATION
MARIO M. CUOMO, Governor FRANKLIN E. WHITE, Commissioner

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Railroad Force Account Manual

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CHAPTER I

INTRODUCTION TO RAILROAD FORCE ACCOUNT AGREEMENT MANUAL

The Department of Transportation and its predecessor the Department of Public Works has completed hundreds of projects over the past 50 years for the improvement or alteration of railroad properties for public purposes. These projects were undertaken as part of special State programs and/or in conjunction with several Federal programs concerned with improvements to highway-railroad crossings including eliminations. These programs also involved improvements to railroad properties as part of a comprehensive publicly funded rail improvement program. Because of the unique nature of railroads, many of these projects were undertaken by the employment of railroad force and payment for work done was based on the expenditure of labor and materials utilized on the project.

From time to time procedures and instructions have been issued to assist those responsible for managing the construction work and payment process for railroad force account work. The latest instructions, contained in the Manual of Uniform Record Keeping (MURK) has been used as the most complete guidelines to date for railroad force account work on highway projects. Additional instructions and procedures have evolved for railroad rehabilitation projects. However, the very nature of inspecting and paying for work and materials, rather than paying a bid price per item, is a difficult process to manage.

Although the current management system has worked well and there has always been an acceptable accounting for the work accomplished, there have been identified shortcomings in the method of inspecting railroad force account construction. It is the purpose of this manual to provide guidelines and procedures so that the following issues are adequately addressed and controlled during the execution of railroad force account projects.

1. Contractor production
2. Records and documents necessary for field control
3. Progress payments
4. Materials and testing
5. Final acceptance and payments

The Department undertakes railroad force account projects based on an agreement between the railroad and the Department. This agreement spells out the responsibilities of each party and incorporates the various work details and schedules, where applicable, into the contract. These agreements are used for railroad work involving grade crossing eliminations, highway, railroad crossing improvements, alterations to highway railroad separation structures and exclusive railroad improvements.

The Department is responsible for inspecting the work performed by the railroad and to assure that public funds are efficiently used in fulfilling the terms of the State Railroad Agreement. It is anticipated that the successful adoption of the information in this manual will eliminate or substantially reduce the numerous areas of uncertainty that have characterized the construction of railroad force

account projects which in turn have prompted the action that more-uniform techniques be developed to properly manage the force account projects.

This manual was prepared by a Committee composed of the following members:

Ben Zodikoff, Chairman
Mike Sheehan
Al Dickson
Ed Malia
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CHAPTER II

STAFFING REQUIREMENTS

General:

The number and level of personnel needed for construction inspection and/or engineering or rail projects is most subjective during the planning phase of any project. When the project is designed, staffing estimates can be refined by a construction engineer familiar with rail work. After letting or just prior to beginning the work a pre-construction meeting is held and a progress schedule is submitted by the contractor or agency performing the work. This schedule will reveal what operations will be accomplished by calendar date. An engineer charged with the inspection function can now accurately estimate and determine staffing needs over the life of the work.

The inspection function may be defined as (1) that work accomplished to insure that the materials incorporated in the work and the labor and equipment used are all in conformance with the specifications and contract documents as stipulated in the state-railroad agreement and (2) documentation of that work which is accomplished. There are three situations where staffing requirements will vary:

- A. Construction work designed by Railroad and performed by their employees (Force Account).
- B. Contract designed and let by Railroad with D.O.T. approval and concurrence with award. Railroad provides engineering and inspection and work with their own forces to accomplish the contract work, and D.O.T. monitors for compliance with contract requirements.
- C. Contract designed, let, awarded and engineered by D.O.T. Railroad provides for work with their own forces to complement contract work.

Situation A:

For Force Account under any of the three situations cited above, generally one inspector at the grade 15 or 20 level for each project. The D.O.T. rail inspector will maintain daily diary and inspection reports to adequately permit review of a subsequent date the railroad records submitted that support reimbursement of costs. The inspector shall also monitor the quality and quantity of material incorporated into the work and quality of workmanship for compliance with agreements or standards. Further, any project work that affects highway interests such as at a grade crossing will be inspected to protect highway vehicle concerns. To determine whether inspection should be continuous or intermittent, more details are needed specific for each project. One inspector could be assigned to more than one project when the nature of the work is determined to require only intermittent inspection.

Situation B:

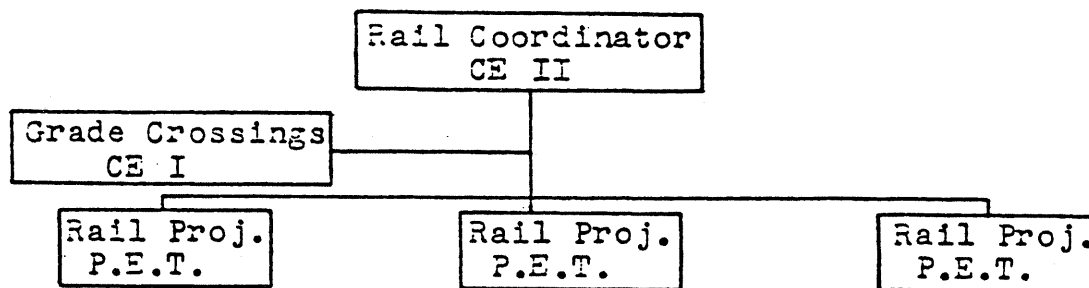
Generally, all work let by a railroad will be beyond the capability of resources of their maintenance forces. The contract work could be inspected by railroad personnel or their consultants. The State should monitor only to the extent necessary to insure that their financial interest was properly served and protected. Intermittent inspection by one person would prevail.

Certification Acceptance should be considered at the time State-Railroad agreements are drawn.

Situation C:

Staffing for a project where the State does all the design, letting, award, engineering and inspection would be very similar to a typical highway contract. The staffing would include a trained E.I.C. and inspectors as needed.

The Regional Table of organization for the rail inspection section may be modeled as follows:



The Rail Coordinator, CE II, should be familiar with construction practices and would report to the Regional Construction Engineer.

In most regions, the rail function is not a full time occupation for the Rail Coordinator so that individual should be assigned additional activities and authority ideally within the Construction Group.

Training for rail section personnel should be jointly shared by Main Office Rail Division and Region. The Regions have great strengths in force account practices and procedures, construction practices and specifications. However, they may have minimal experiences with common rail nomenclature, special rail specifications and standards that are detailed by AREA, F.R.A., Rail Defect Manual, Track Safety Standards, etc. The responsibility for training in the later area should lie with the Main Office. It may be mirrored to the training program annually performed by our Main Office Bureau of Materials.

Because rail work is seasonal and work programs are subject to great change by either or both the Department of Transportation and rail operating corporations, all titles within rail section should be nonparenthetical. Regions require great flexibility in assigning and reassigning personnel to maximize efficiency, motivation, productivity, etc.

In conclusion, we should staff our rail projects only to the extent necessary to (1) determine that billings from Rail corporations for labor, material and equipment are correct, (2) ascertain if material incorporated in the work meets the required standards, (3) workmanship complies with requirements. Where highway and motorist interests are also involved, as in grade crossing work, then a higher level of inspection/staffing and coordination with railroad is desirable.

CHAPTER III

CONTRACT ADMINISTRATION

A. Change Orders

The Department recognizes that conditions will change between the time that railroad force account plans and estimates are prepared and work actually performed. Furthermore, actual field conditions may reveal that more quantities or less or different work may be required to accomplish the desired result. The Department will normally participate in costs of such changes provided the following steps are taken:

1. The railroad must submit to the Department's Regional Construction Supervisor and to the Supervisor of the Rail Projects Implementation Section of the Department's Main Office, a description of the change and a request for the State's approval of such change. Approval shall not be unreasonably withheld. The Department's Regional Construction Supervisor shall notify the Supervisor of the Rail Project Implementation Section of approval by the Region. The Rail Project Implementation Section in turn will in writing advise the Railroad of approval by the Department of the requested change. If circumstances require an immediate decision so as not to delay either the State's contractor or rail force work in progress, telephone approval may be sought using a similar process. The railroad should then immediately follow up the oral request with the written request.
2. If such change requires that the cost limit of the State/Railroad agreement be raised, the Rail Projects Implementation Section will prepare and process an amended State/Railroad agreement for execution.

B. Work Schedule

At the preconstruction meeting or shortly thereafter, and before the commencement of significant work, the Railroad shall provide the Regional Construction Supervisor for his information an outline of the railroad's schedule of progressing the railroad force account work.

C. Extensions of Time

It is essential that best efforts be made by the railroad to meet the construction schedule. This is particularly important when railroad force account work is essential to complement contract work being progressed simultaneously by a Department contractor.

If a completion date is specified in the State/Railroad agreement, the railroad shall in writing describe the circumstances which require that the contract completion date be extended and request an extension of time to both the Department's Regional Construction Supervisor and the Supervisor of the Rail Project

Implementation Section of approval by the Region. The Rail Project Implementation Section will then take formal action as required by the State/Railroad agreement to approve such extension of time. The Railroad Implementation Section will determine whether or not any penalties are to be invoked if such action is provided for in the State/Railroad agreement as a result of such failure to complete work in accord with the date originally stipulated.

CHAPTER IV

MATERIALS, TESTING AND ACCEPTANCE REQUIREMENTS

Except where otherwise provided in contract documents, the Railroad will provide certification that all new materials incorporated in the work meets or exceeds their material specifications except for those materials normally accepted based on manufacturer's certification. The sampling and testing of paving, base and subbase course materials shall be subject to the requirements of the New York State Department of Transportation Standard Specifications. If the paving materials are obtained from a NYS approved source, the supplier's Certificate of Compliance with NYS specifications will be accepted in lieu of sampling and testing. The project records shall contain a manufacturers certification for those materials accepted on the basis of these certifications. All new materials other than the paving, base and subbase course and manufactured materials previously mentioned shall be sampled and tested by the railroad when deemed by the railroad to be appropriate in accordance with nationally recognized sampling and testing procedures such as those established by the AREA, ASTM or AASHTO. All relay and/or used material shall be accepted or rejected based on the Railroad's standard requirements for relay material, NYS Standard Specifications or AREA, subject to inspection and acceptance by the Chief Engineer of the Railroad or his authorized representative and concurred in by the State's inspector.

CHAPTER V

RECORDS AND DOCUMENTATION

There must be a standard, unified system of record keeping on railroad force account contracts with the New York State Department of Transportation.

Project records are subject to review and scrutiny by engineers and auditors of the State and Federal governments years after the construction work is complete. The records must be retained for a period of three years.

Original verified documents must be carefully kept and recorded and then transferred to safe, adequate, and recoverable storage after the contract is completed.

In general, all requirements where applicable, shall be found in the New York State Department of Transportation Manual of Uniform Record Keeping (MURK).

The following are found in MURK and will apply to railroad force account contracts:

MURK REFERENCE

1:01 Correspondence: This file will be kept in accordance with MURK. 1:02 Project Diaries (MURK-2): The diary will be kept as shown in MURK with attention paid to pertinent items found on the particular rail contract. In other words, that portion dealing with ROW 114 would not apply. There may be other portions of this section which would require some modification.

In the case of a fairly small railroad force account contract, items normally found in the project diary could be entered on the MURK 1-RR, Daily Inspector's Daily Report. The inspector is the Engineer-in-Charge for these type of projects.

Those sections under 1:02 Project Diaries titled Attention: Engineers in Charge and Lost Time Documentation, etc. should be modified to read as follows: Attention: Engineers in Charge and Office Engineers.

Inspector's Reports are to be numbered consecutively after they have been turned in. Do not have several series of numbers for surfacing, rail, ties, turnouts, etc. If desired, use a suffix letter to differentiate work types. They should be filed in numerical order regardless of suffix.

Daily. The E.I.C. will review the I.R.'s for credibility and adequacy of the information supplied and then immediately sign them. Delegation of signing for the E.I.C. will be with the written approval of appropriate Regional Manager (i.e. Construction Supervisor, Regional Rail Coordinator, etc.). Approval must be kept with the I.R.'s file.

Daily. Work quantities shown on the I.R.'s must be posted in the Project Material Book. The material installed must be compared with the Material Received Record.

The Monthly Inspector's Report Summary must account for each engineering employee's activity daily, either by I.R. number or explanatory symbol. Symbols are to be explained on summary sheet. Office engineering does not require an I.R. as it will show in the Diary. See MURK Exhibit 1.02B pg. 3-6.

Project Scheduling and Lost Time Documentation

The E.I.C. shall document in his diary delays, events, and actions which affect the railroad's ability to maintain the work schedule. As part of this documentation, the E.I.C. will be aware of requirements set forth by union agreements pertaining to track personnel, signalmen, and operating people. Upon request, the Railroad must make every effort to provide to the E.I.C. the applicable portions of the latest Railroad-Union contract.

When a railroad does not take advantage of weather and good working conditions, or does not provide adequate men, equipment, or material, or uses deficient equipment or methods, the E.I.C. will document this in his diary. Continuance of this condition shall be reported promptly through the Regional Office to the Director of Operations and Contract Performance Section of the Main Office Rail Division. 1.03 General: Follows MURK with special attention paid to "acceptable practice" in the different Regions.

Inspectors Daily Report MURK 1-RR

The standard form for recording work by the railroad forces will be this form.

The MURK 1-RR is to become part of project records by cross reference. It will be turned in at the end of the work day to the Project Engineer. It will include the following:

1. Date.
2. Day of Week.
3. Numerical I.R. (to be inserted by E.I.C. or Office Engineer).
4. Project I.D. including Contract No. and PIN (Job Stamp for larger projects).
5. Temperature and Weather.
6. Name of railroad (including division for Class 1 railroad).
7. Location and nature of work (including department performing work i.e., M.O.W. - Maintenance of Way, C&S - Communications and Signals, D&C - Design and Construction, OP - Operating (train crews, flagmen).) Include mileposts or firm location for work.
8. Labor - including department, title, number, and hours. Refer to union agreements for specific travel time/portal to portal/etc.
9. Equipment - including department, identification of equipment by railroad (Example: Burro Crane 25 ton 01239), hours used.

- (Time used depends on situation - a non-highway piece of equipment may be paid from siding to work site).
10. Material - including department, material identification, installed or removed, new, fit or scrap material, whether work is temporary (later credit to New York State Department of Transportation) or permanent. Fit or scrap to be discussed and agreed with railroad.
 11. Remarks - including track time (trains delaying work, etc.) or other delays including failure of railroad to progress work, extra travel time by personnel above union agreements, visitors, discussions, comments covering work, etc.

In addition, the attached form may be used in lieu of MURK 1-RR for larger projects where the use of MURK 1-RR is difficult due to large work force, etc.

Each railroad will prepare and submit a daily report to the engineer for work incurred for billing. The engineer will review these railroad reports and compare these with the MURK 1-RR. After agreement, he will permanently attach the railroad report to the MURK 1-RR and place them in the I.R. file.

When a railroad voucher request for payment is received in the Regional Office, the E.I.C. will review the voucher request based on the latest information and reports available, including diary, inspector's diary report, and other pertinent documents.

To ensure that there is no double billing, the I.R. and railroad report will be marked by the E.I.C. in an easily identified manner noting that payment had been made.

Forms to be used by New York State Department of Transportation Project Inspectors for documentation of railroad force account projects.

<u>Exhibit</u>	<u>Name</u>	<u>Form I.D.</u>
1.	Engineer's Daily Project Diary	MURK 2B
2.	Inspector's Daily Report Railroad Force Account	MURK 1RR
3.	Alternate to MURK 1RR	--
4.	Alternate for Daily Attendance Report for Personnel and Equipment	--
5.	Material Received Record	Modified MURK
6.	Conrail Material Used/Reclaimed	Conrail M153-B
7.	Conrail Daily Project Report	Conrail AD2306

E X H I B I T N O . 1

Engineer's Daily Project Diary

MURK 2B

**Sample (front and reverse) for
typical large rail force account
project**

Page No. 140

JOB STAMP

Sheet No. 1 of 1 SheetDate Aug 26, 1982Day of Week

S	M	<u>T</u>	W	T	F	S
---	---	----------	---	---	---	---

AM PM

Weather

Cloudy	Clear
--------	-------

High Low

Temperature

75	65
----	----

CONTRACT D140782
CR - PASADENA PLANTING SERIES.
E.I.N. 8855-43-801

MAJOR CONTRACT OPERATIONS

I.R. No.	Inspector's Name	Work Assignment and Identification
41	L. Leddy	Welded rail installation - Production Crew 50 - M.P. 89.6 to M.P. 92.3
42	J. Simmons	Scrap and fit pickup - Work Train 1101 - M.P. 74 (BRAD) to M.P. 82
43	E. Jecan	Restoration of automatic grade crossing protection and surface of grade crossing - C+S and local track department M.P. 70 to M.P. 90

Maint. of Traffic & Project Signs: All automatic grade crossing protection in service by 6:00 P.M. (stop and flag by C+S between M.P. 89 - M.P. 93 until 6:00 P.M.).

REMARKS: Track time reduced by NB Zoom 7:30 AM to 9:00 A.M. (BRAD to VERN).

Visitors - A. Butler, Div. Engr., CR, G. Popple Asst. Div. Engr. CR. No conversation pertaining to our project.

Additional rail train for CWR from MP 92 to M.P. 100 not scheduled.

Welders to be on project to start buttaming up CWR next week per F. Pullus, Asst. Track Supvr.

Phone conversation with R. Testa, Conrail Program Coordinator - will be on site next Tuesday to cover fit rail on mainline.

Complaint on Town Line Road crossing - by telephone from E. Hooge, Rail Coordinator. - Told F. Pullus and he will order cold patch.

Subcontractor A is
Subcontractor B is

Subcontractor C is _____
Subcontractor D is _____

Contractor's Equipment in Use	Prime	Not Used	Sub A	Sub B	Sub C	Sub D
Bulldozer						
Scraper						
Front End Loader						
Grader						
Gradall						
Backhoe						
Crane (truck)						
Roller (vibratory)						
" (2-axle tandem)						
" (sheepsfoot)						
" (pneumatic)						
Truck (dump)						

[illegible]

WORK FORCE				
Superintendents				
Foremen				
Operators				
Carpenters				
Labors				
Iron Workers				

Year	Trainees (Thousands)	Apprentices (Thousands)
1970	10	10
1971	12	15
1972	15	20
1973	18	22
1974	22	24
1975	25	25
1976	28	24
1977	32	22
1978	35	20
1979	38	18
1980	42	15
1981	45	12
1982	48	10
1983	50	10
1984	52	10
1985	55	10

Resident Engineer (Consultant)

Consultant (Stamp)

Engineer-in-Charge

E X H I B I T N O . 2

Inspector's Dail Report
Railroad Force Account

MURK 1RR

Sample (front and reverse)
for typical inspection report

MATERIAL

[illegible]

IN = Material placed

NEW = Newly manufactured material

SCRAP = Unusable material removed

TEMP. = Temp. work

OUT = Material removed

FIT = Salvaged or used material made to fit

PERM. = Perm. work

REMARKS:

Crossties stacked at County Rt. 220 crossing
for pickup by truck tomorrow.

Fit ties to be used on yard tracks in Ogdenburg. Scrap ties to Norwood enginehouse dump.

Tie handler is leaking fluid and may be down tomorrow.

E X H I B I T N O . 3

**Alternate to MURK 1RR
For Use on Large Complex Rail Contracts**

**Optional Use as Regional Preference
in lieu of MURK 1RR**

DATE: _____
Railroad's Name _____
Work Order No. _____

.. I.R. No. _____
Weather _____
Temperature _____ °F
Time _____

Description of Work Performed and Inspected:

[illegible]

Remarks:

Railroad Document References:
Labor:

Inspectors Name	Title	Signature
------------------------	--------------	------------------

EXHIBIT NO. 4

Inspector's Daily Attendance Report
For Personnel or Equipment
(Optional)

Sample Form which could be used
for stable equipment and work
force project

INSPECTOR'S DAILY ATTENDANCE REPORT

FOR PERSONNEL OR EQUIPMENT

Personnel or Equipment	Title or ID Number												
		1	2	3	4	5	6	7	8	9	10	11	12
Chevy Van	T-5120	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Butro Crane	04120	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Locomotive	2590	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Flat Car	CR41670	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Caboose	416362	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Foreman	43701	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Equip. Opr.	6007	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Trackman	46721	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Trackman	46236	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Trackman	46101	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Engineer	401	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Brakeman	8100	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Conductor	607	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓

E X H I B I T N O . 5

**Material Received Record
(Modified MURK)**

**Used in Material Book for
Verification of material received
and used on the project**

MATERIAL RECEIVED RECORD

Job Stamp

Date July 1, 1982

Page No. 20

D210511
DEKALB INTERCHANGE
ST. LAW. CO.
P.I.N. 7836.C0

Material Description:

Supplier Bunke-Parsons-Bowley

Date Approved May 15, 1982

SubContractor

Date Approved _____

Material Crossties 8" x 6" x 8'-6"

P.O. Box 287
Dubois, Pa. 15801

Manufacturer Same

Address

Original
Contract Quantity 5000

Final Contract Quantity

[illegible]

EXHIBIT NO. 6

Conrail Material Used or Reclaimed Conrail M152B

Sample form complete with approval
signed by NYSDOT inspector.
Form must not be signed if there is
a major disagreement with MURK 1RR.
Form may be signed if there is a
minor disagreement with MURK 1RR.
In that case, disagreement item to
be circled and the word "delete"
placed on that item.

When voucher is received, review to
ensure all M153B are signed and
exceptions noted.

715662

M153-B CONSOLIDATED RAIL CORPORATION

MATERIAL USED OR RECLAIMED — PARTICIPATION PROJECT

ST. TR. STORE LOCATION STORE CODE MONTH DAY YEAR

WATER TOWN 0180 12 03 80

MM 153-B RA 7-76

*CONDITION CODES — ① NEW ② REHABILITATED ③ FIT ④ REPAIRABLE ⑤ SCRAP

SYMBOL USE — U RECLAIM — R CORRECTION — C

ISSUED BY — SIGNATURE & TITLE

USED OR RECLAIMED BY — SIGNATURE & TITLE

AS/T

John L. [Signature]

SIGNATURE — INSPECTOR

QUANTITY	U _N	ITEM NUMBER	C _Q _N	DESCRIPTION	JOB NO. MNMGT CTR.	UNIT NUMBER PURPOSE ACCOUNT	CHARGE NUMBER CLASS WORK ORDER	DEPT. S
1	EA	01842770	0	SW. SPLIT 27' 132 RE LH	56446	009	22424	M/W U
1	EA	01332855	0	FROG RBM #10 132 RE W/RATE	56446	009	22424	M/W U
2	EA	01552452	0	RAIL GUARD 9' 132 RE	56446	009	22424	M/W U
204	EA	01534302	2	PLATE TIE 132 #	56446	010	22424	M/W U
350	EA	01017704	0	ANCHOR 132 #	56446	010	22424	M/W U
6	PR	01057609	0	BAR JOINT 132 RE	56446	010	22424	M/W U
1	EA	01416452	2	JT COMP 127-105	56446	010	22424	M/W U
2	EA	01404464	0	JT COMP 132-115 RH	56446	010	22424	M/W U
2	EA	01404472	0	JT COMP 132-115 LH	56446	010	22424	M/W U
32	EA	01231533	0	BOLT TRACK 1 1/8 x 5 3/4	56446	010	22424	M/W U
32	EA	01875903	0	WASHER	56446	010	22424	M/W U
10	EA	01229101	0	BOLT TRACK 1 x 5 1/2	56446	010	22424	M/W U
10	EA	01875218	0	WASHER	56446	010	22424	M/W U
15	FT	08026704	2	RAIL 127DY	56446	009	22424	M/W U
960	LB	01781428	0	SPIKE TRACK 5/8 x 6	56446	010	22424	M/W U

DESCRIBE WORK PERFORMED AND LOCATION

SWITCH INSTALLATION AT MP 82.9 MASSENA SECONDARY

VALUATION SECTION —

0980

M153-B CONSOLIDATED RAIL CORPORATION

MATERIAL USED OR RECLAIMED - PARTICIPATION PROJECT

CONDITION CODES - ① NEW ② REHABILITATED ③ FIT ④ REPAIRABLE ⑤ SCRAP

SYMBOL

USE - U

RECLAIM - R

CORRECTION - C

ISSUED BY - SIGNATURE & TITLE

SIGNATURE - INSPECTOR

CORRECTION - C

USED OR RECLAIMED BY - SIGNATURE & TITLE

ISSUED BY - SIGNATURE & TITLE

SIGNATURE - INSPECTOR

CORRECTION - C

QUANTITY	UNIT	ITEM NUMBER	C.O.N.D	DESCRIPTION	JOB NO.		UNIT NUMBER	CHARGE NUMBER		DEPT.	SYMBOL
					MMGT CTR.	PURPOSE ACCOUNT		CLASS	WORK ORDER		
1	2	EA 01453057	0	JT INSULATED 132 RE	56446	010	2 00	22424	04721	M/W	U
2	2	ST 01380289	0	INSULATION FIBRE 132 RE	56446	010	2 00	22424	04721	M/W	U
3	1	EA 01454758	0	132 RE FACTORY BONDED JT.	56446	009	2 00	22424	04721	M/W	U
4											
5											
6	14000	LB 50000308	4	MISC FERROUS CLAP	56446	010	2 00	22424	04721	M/W	R
7											
8											
9											
10											
11											
12											
13											
14											
15											

1537 will be forthcoming

for backup to these

153 T will be forthcoming for backup to these

DESCRIBE WORK PERFORMED AND LOCATION

SWITCH INSTALLATION AT MP 82.9 MASSENA Secondary

DISTRIBUTION - COPY - RETAINED BY STATE INSPECTOR OR FIELD REPRESENTATIVE

VALUATION SECTION -

0.000

EXHIBIT NO. 7

Conrail Daily Participating Project Report Conrail AD2306

Sample form showing labor and equipment utilization.
Signature again should not be on forms in major disagreement with MURK 1RR. Minor disagreement with MURK 1RR should be circled and work "deleted" placed on the item. Form may then be signed.

When voucher is received, review to ensure all AD2306 are signed and exceptions noted.

REGION -	WORK ORDER	MGMT. CENTER	DIVISION	DATE	MO.	DAY	YR.
NEW JERSEY	22424	56446					
PROJECT DESCRIPTION -	NAME & TITLE -						
REAR MASSENA Bc	PA JENKINS - FOREMAN						
BILLABLE PARTY -	TELEPHONE NO. -						
STATE OF NEW YORK	120880						
NATURE OF WORK -							
INSTALL SWITCH 112830	788-2671						

[illegible]

Job-time records to support salaries and wages paid by the Company and other related expenses as required by FHPM-143 and other governmental directives are maintained and available for audit at designated Payroll and/or Accounting Centers.

Inquiries related to audit locations should be directed to Manager, Non-Revenue Billing Operations Consolidated Rail Corporation, 425 Brighton St., Bethlehem, Pa. 18015.

[illegible]

DEPARTMENT	SIGNATURE	TITLE	SIGNATURE - Construction Inspector	SIGNATURE - Field Representative
MCFL	P. J. Jenkins	Foreman		J. J. Jenkins

INSPECTOR (FEDERAL, STATE, OR MUNICIPALITY)

PAYROLL PERIOD

INSPECTOR (FEDERAL, STATE, OR MUNICIPALITY)

CHAPTER VI
PROGRESS PAYMENTS
REVIEW AND PROCESSING OF DETAIL BILLINGS
FOR RAILROAD FORCE ACCOUNT WORK

Where railroads are involved in any way in our contract, such as relocation of tracks, signals, communication lines or other railroad facilities, the work of relocation, if done by railroad forces, as is usually the case, is reimbursable. It is necessary, therefore, that completely documented records be submitted by the railroad involved. These shall be checked and filed to support payments.

Prior to contract letting and during the course of design, an estimate of the force account work necessary is submitted to the Department by the railroads upon request by the Department. A force account agreement is prepared and executed by both parties covering the work to be done.

During the course of the work, daily reports will be submitted by the railroad which should agree with the engineer's records of men, equipment and time. When the railroad bill for incurred work is received, the engineer uses his daily cost tabulation and railroad daily reports to confirm correctness of the labor time, material quantities, and equipment usage time and other factors within their jurisdiction. After checking, the engineer-in-charge shall submit the entire railroad billing package (Railroad Project Payment Voucher RD-16 and all back-up documentation) together with his own comments to the Regional official for processing.

If preliminary progressive bills are submitted by the railroad, fully supported bills to reconcile Preliminary bills will be submitted by the railroad on a lag basis. These fully supported bills shall be examined by the engineer-in-charge to confirm correctness and adjusted to reflect prior Preliminary billings.

Effective April 1, 1978, this Department adopted a single set of procedures for reimbursing railroads for work performed on a force account basis. Those procedures are contained in the Federal rules, as published in the Code of Federal Regulations, under Title 23, Part 140, Subpart 1, "Reimbursement for Railroad Work."

Be advised that any reference to 23CFR, Part 140, Subpart 1, is the same as having reference to Federal-Aid Highway Program Manual, Volume 1, Chapter 4, Section 3, "Reimbursement for Railroad Work."

In particular the Region will be responsible for checking the following:

- (1) Time and classification of labor and expenses charged.
- (2) Quantities and condition of material charged and material reclaimed or salvaged.

- (3) To assure that handling charges are allowed only on material taken from company stores or on material returned to company stores in accordance with memo dated December 22, 1981 from M. J. Sheehan, Director, Rail Projects Implementation Section.
- (4) Time for rental of equipment--but not rates.
 - (a) Company owned equipment will be charged against the project in accordance with the rates and procedures as set forth in circular #GMA-2636-F of the General Manager's Association. Unless otherwise provided a full day's rental is a proper charge when the equipment is not used in other service during the twenty-four hour period beginning with the time starting for work.
 - (b) Company leased equipment to be charged against the project in accordance with the terms and conditions of the lease agreement.
- (5) That all subcontracted work, leased equipment cost, or direct purchase of material for the project whose costs exceed \$2,000 has been approved by the Rail Project Implementation Section. The Region will receive a copy of the approved contract or purchase order. The Region should verify that the work performed or materials delivered is in accordance with the terms of the contract or purchase order, if not the Region when sending in the detail bill to the Main Office should recommend a reduction. However, to save unnecessary reduction statements, the Region should call the Main Office Rail Division to inquire if said approval is in process.

Upon satisfactory review of the detail bill, the Regional office will sign the RD-16 and forward the billing to the Accounting and Fiscal Services Bureau in the Main Office for further review and processing.

However, under the following circumstances the billing should not be sent to the Main Office:

- (A) No billing should be forwarded until an approved copy of the StateRailroad Agreement and force account estimate is on file in Region.
- (B) No billings should be forwarded when the entier billing exceeds the work order line estimate for preservation projects or exceeds the total estimate on highway and/or grade crossing improvement projects. These billings can not be processed for payment until the State has approved a request by the railroad to reallocate funds between lines estimated on preservation projects or has approved an amended agreement to increase the funding. The Region should review these billings from the viewpoint of work accomplished by railroad and retain the billings until the Region receives a copy of the line transfer approval or approved amended agreement. The Region should notify the railroad with copy to the Rail Division in Albany of this overbilling and that it cannot be processed until the necessary approvals have been obtained.

- (C) "Detail" bills from the railroad that are marked "final" should not be forwarded to the Main Office when the Region has taken exception to some of the charges. If the Region does take exception to some of the charges they should communicate directly with the railroad to reconcile the exceptions and come to an agreement with the railroad as to proper charges. When the Region comes to agreement with the railroad they should then send the billing to the Main Office, for further action, along with copies of pertinent correspondence agreeing to any reductions. NOTE: This immediate reconciliation of "exceptions taken" by DOT Regional office should only be pursued on "final" billings for the project not on interim "detail" billings. Interim "detail" bills should be processed with recommended reductions to reflect any exceptions taken to the charges listed in the billing.

The reason for this procedure is that final billings cannot be processed for payment until a field audit has been performed by our Field Audit Group and we cannot request a audit until the railroad has agreed to all potential reductions the State may take.

- (D) If during the review of any "detail" bill the Region has extensive exceptions to the listed charges which would result in a major portion of the bill reduced they should correspond directly with the railroad to attempt to clarify and remove as many of the exceptions as possible. If clarification is not possible, the "detail" bill should be returned to the railroad indicating your concerns and with a request for additional information, backup or clarification of the disputed charges.

The Main Office Accounting and Fiscal Services Bureau, Expenditures Unit, will be responsible for checking the following:

- (1) That the billing is in accordance with the appropriate rules, regulations and procedures that are applicable to the project in question.
- (2) That all percentages added to labor, such as vacation, health and welfare, railroad retirement, unemployment tax, insurance, etc. are correct and current for the time period the labor was performed.
- (3) That all equipment rental rates are in accord with acceptable rates.
- (4) That all charges conform to the New York State Comptroller's Rules and Regulations, such as Open-Market Orders, copies of approved subcontractors, etc.
- (5) That all extensions are correct.

In the event the cost of force account estimate in the agreement is exceeded by the cost of actual work done, the Main Office will prepare an amended agreement to cover the increased cost. No cost overrun should be allowed without Main Office approval. If the railroad elects to proceed with additional work they do so at the risk of not being reimbursed for such work if DOT approval is not subsequently forthcoming. A fully executed copy of the Amended Agreement will be sent to the Regional office after approval of all concerned. All force account records are to be maintained and classed as source documents since they are the source of pay items.

"PRELIMINARY" BILLING PROCEDURE

CONSOLIDATED RAIL CORPORATION PROJECTS ONLY

- (1) In lieu of the system of "estimated" billings prepared by Conrail field inspectors and approved by New York State DOT field inspector, Control's Non-Revenue Billing at Bethlehem will now prepare and submit "Preliminary" bills based on actual charges as listed on Conrail's computer printout. The charges listed on Conrail's computer printout for a specific work order are generated by input from individual (Conrail) employee time cards, and charge documents for material used and/or reclaimed from Conrail's material distribution centers.
- (2) These "Preliminary" bills will be submitted monthly by Conrail to the appropriate NYSDOT regional office. The "Preliminary" bill will be accompanied by a copy of Conrail's computer printout from which the "Preliminary" bill is compiled. The "Preliminary" bill will show labor and material costs incurred by Conrail, but will not show such charges as equipment usage or work train services.
- (3) The "Preliminary" bill should show the total charges as supported by the computer printout less a 10% retainage. Submission of their "detail" bill, which will reconcile the charges listed in this "Preliminary" bill, will follow within 90 to 120 days.
- (4) NYS-DOT Regional office will compare the total charge on Conrail's "Preliminary" bill against the actual work done. If in the opinion of our Regional representative the total charge listed in the "Preliminary" bill is reasonably equal to or less than the actual work done, as compared to the quantities in the force account estimate using a percentage of the estimated cost, the Region may sign the bill to signify such approval and forward to DOT Accounting and Fiscal Services Bureau (Expenditure Unit) in Albany for further processing and payment. The Copy of the computer printout backup should be retained by the Region. Only the bill along with the Railroad Project-Payment Voucher (form RD-16) will be forwarded to the Main Office. No reductions should be made at this time.
- (5) Subsequent to this action Conrail's Billing Department will scrutinize and review the computer printout which was submitted with the "Preliminary" billing against the AD 2306's (labor), M153B's (material) forms. The AD2306 (Daily Participation Labor and Equipment Project Report), and the M153B, (Material Consumed or Reclaimed) forms are prepared by Conrail's field foreman. They are presented to the State's representative as the work progresses for DOT review, approval and signature. Upon the approval and signature of the forms by the State's representative a copy is given to the State representative and a copy is forwarded to Conrail's billing department for the processing of billings to the State.

- (6) Within 90-120 days Conrail will submit to the DOT Regional Office a "detail" billing to reconcile the "Preliminary" bill issued for that reporting period. In the event billing is not rendered within this timeframe Conrail will notify the State of the delay and when we may expect the detail bill.
- (7) To prepare the "detail" bill Conrail crosschecks the computer printout with the AD 2306 s M153B s and M153P s to insure that they match. If any discrepancy exists they communicate with their engineering department to reconcile the discrepancy. If the computer printout proves to be incorrect due to employee error in recording the proper work order on his time card or a keypunch error Conrail will strike that line from the computer printout and adjust the bill accordingly. If charges appear on the AD2306 s and M153B s that are not listed in the computer printout and the billing department has been notified by their engineering department that the charges are indeed proper the billing department will make a journal entry of the charges and adjust the bill accordingly.

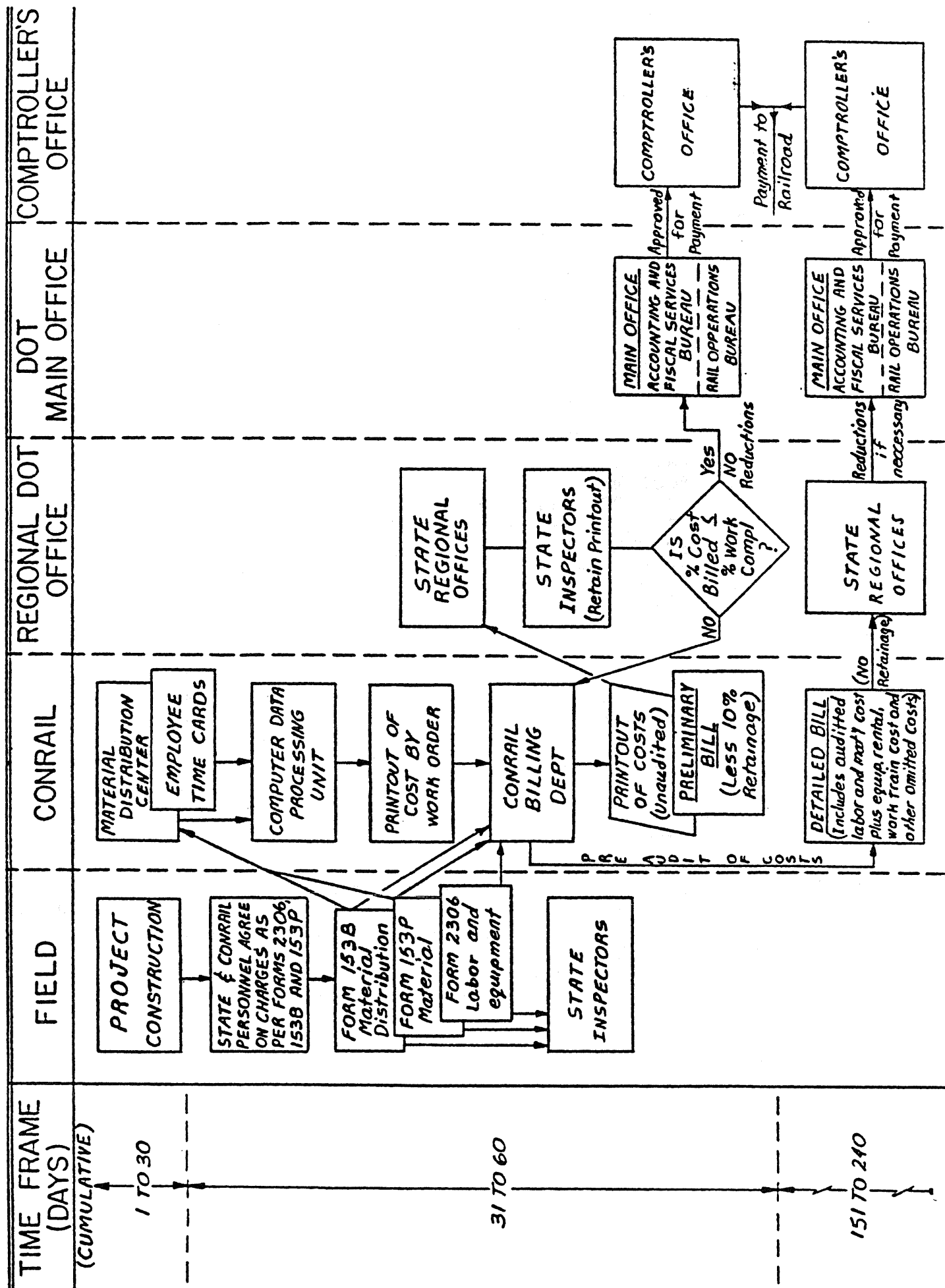
As a result of this in-house action Conrail is saying that their "detail" bill is a totally accurate document which has been pre-audited by them to substantiate all charges made.

- (8) Upon receipt of the "detail" bill from Conrail the Region will review the bill against computer printout submitted with the "Preliminary" bill and against the AD2306 s M153B and their daily log and any other documents as required to substantiate the charges listed in the detail bill.

Reductions may be made at this time.

- (9) Upon reconciliation of the "Detail" and "Preliminary" bill the DOT Regional office may approve subject to any reductions noted, and submit the "Detail" bill to the DOT Accounting and Fiscal Services Bureau (Expenditures Unit) in Albany for further processing and payment.

CONRAIL TO NYSDOT BILLING PROCEDURE





U. S. DEPARTMENT OF TRANSPORTATION

FEDERAL HIGHWAY ADMINISTRATION

FEDERAL AID HIGHWAY PROGRAM MANUAL

VOLUME	1	PAYMENT PROCEDURES
CHAPTER	4	REIMBURSEMENT
SECTION	3	REIMBURSEMENT FOR RAILROAD WORK

Same as 23CFR, Part 140, Subpart 1

Par	1	PURPOSE	Transmittal 129
	2	APPLICABILITY	April 25, 1975
	3	REIMBURSEMENT BASIS	HNG-14
	4	LABOR COSTS	
	5	MATERIALS AND SUPPLIES	
	6	EQUIPMENT	
	7	TRANSPORTATION	
	8	CREDITS FOR IMPROVEMENTS	
	9	PROTECTION	
	10	MAINTENANCE AND EXTENDED CONSTRUCTION	
	11	LUMP SUM PAYMENTS	
	12	BILLINGS	

1 PURPOSE

- * *The purpose of this directive is to prescribe policies and procedures on reimbursement to the States for railroad work done on projects undertaken pursuant to the provisions of Volume 6, Chapter 6 Section 2, Subsection 1, of the Federal-Aid Highway Program Manual (FHPM)*

2 APPLICABILITY

This directive, and all references hereinafter made to "projects," applies to Federal-aid projects involving railroad facilities, including projects for the elimination of hazards of railroad-highway crossings, and other projects which use railroad properties or which involve adjustments required by highway construction to either railroad facilities or facilities that are jointly owned or used by railroad and utility companies

3 REIMBURSEMENT BASIS

a General

On projects involving the elimination of hazards of railroad-highway crossings, and on other projects

*Regulatory material is italicized

where a railroad company is not obligated to move or to change its facilities at its own expense, reimbursement will be made for the costs incurred in making changes to railroad facilities, required in connection with a Federal-aid highway project, as hereinafter provided

b Eligibility To be eligible, the costs must be

- (1) for work which is included in an approved program,
- (2) incurred subsequent to the date of authorization by the Federal Highway Administration (FHWA),
- (3) incurred in accordance with the provisions of Volume 6, Chapter 6, Section 2 of the FHPM, and
- (4) properly attributable to the project

4 LABOR COSTS

a. General

- (1) Salaries and wages, at actual or average rates, and related expenses paid by a company to individuals for the time they are working on the project, are reimbursable when supported by adequate records This shall include labor associated with preliminary engineering, construction engineering, right-of-way, and force account construction
- (2) Salaries and expenses paid to individuals who are normally part of the overhead organization of the company may be reimbursed for the time they are working directly on the project, such as for accounting and bill preparation, when supported by adequate records and when the work performed by such individuals is essential to the project and could not have been accomplished as economically by employees outside the overhead organization
- (3) Amounts paid to engineers, architects and others for services directly related to projects may be reimbursed

b. Labor Surcharges

- (1) Labor surcharges include worker compensation insurance, public liability and property damage insurance, and such fringe benefits as the company has established for the benefit of its employees. The cost of labor surcharges will be reimbursed at actual costs to the company or a company may, at its option, use an additive rate or other similar technique in lieu of actual costs provided that (a) the rate is based on historical cost data of the company, (b) such rate is representative of actual costs incurred, (c) the rate is adjusted at least annually taking into consideration known anticipated changes and correcting for any over or under applied costs for the preceding period, and (d) the rate is approved by the State and FHWA.
- (2) Where the company is a self-insurer there may be reimbursement at experience rates properly developed from actual costs, not to exceed the rates of a regular insurance company for the class of employment covered.

5. MATERIALS AND SUPPLIES

a. Procurement

Materials and supplies, if available, are to be furnished from company stock, except they may be obtained from other sources near the project site when available at less cost. Where not available from company stock, they may be purchased either under competitive bids or existing continuing contracts, under which the lowest available prices are developed. Minor quantities and proprietary products are excluded from these requirements. The company shall not be required to change its existing standards for materials used in permanent changes to its facilities.

b. Costs

- (1) Materials and supplies furnished from company stock shall be billed at current stock price of such new or used material at time of issue.
- (2) Materials and supplies not furnished from company stock shall be billed at actual costs to the company delivered to the point of entry on the railroad company's line nearest the source of procurement.
- (3) A reasonable cost of plant inspection and testing may be included in the costs of materials and supplies where such expense has been incurred. The computation of actual costs of materials and supplies shall include the deduction of all offered discounts, rebates, and allowances.

c Materials Recovered

- (1) Materials recovered from temporary use and accepted for reuse by the company shall be credited to the project at prices charged to the job less a consideration for loss in service life at 10 percent for rails angle bars, tie plates, and metal turnout materials and 15 percent for all other materials. Materials recovered from the permanent facility of the company that are accepted by the company for return to stock shall be credited to the project at current stock prices of such used material.
- (2) Materials recovered and not accepted for reuse by the company, if determined to have a net sale value, shall be sold by the State or railroad following an opportunity for State inspection and appropriate solicitation for bids, to the highest bidder or if the company practices a system of periodic disposal by sale, credit to the project shall be at the going prices supported by the records of the company. Where applicable, credit for materials recovered from the permanent facility in length or quantities in excess of that being placed should be reduced to reflect any increased cost of railroad operation resulting from the adjustment.

d. Removal Costs

Federal participation in the costs of removing, salvaging, transporting, and handling recovered materials will be limited to the value of materials recovered, except where FHWA approves additional measures for restoration of affected areas as required by the physical construction or by reason of safety or aesthetics.

e Handling Costs

The actual and direct costs of handling and loading out of materials and supplies at and from company stores or material yards and of unloading and handling of recovered materials accepted by the company at its stores or material yards are reimbursable. At the option of the company, 5 percent of the amounts billed for the materials and supplies which are issued from company stores and material yards will be reimbursable in lieu of actual costs.

f Credit Losses

On projects where a company actually suffers loss by application of credits the company shall have the opportunity of submitting a detailed statement of such loss as a basis for further adjustment

6 EQUIPMENT

a Company-Owned Equipment

Cost of company-owned equipment may be reimbursed for the average or actual cost of operation light and running repairs and depreciation, or at industry rates representative of actual costs as agreed to by the railroad State and FHWA Reimbursement for company-owned vehicles may be made at average or actual costs or at rates of recorded use per mile which are representative of actual costs and agreed to by the company State and FHWA

b Other Equipment

Where company-owned equipment is not available reimbursement will be limited to the amount of rental paid (1) to the lowest qualified bidder (2) under existing continuing contracts at reasonable cost or (3) as an exception by negotiation where (1) and (2) are impractical due to project location or schedule

7 TRANSPORTATION

a Employees

The company's cost of necessary employee transportation and subsistence directly attributable to the project which is consistent with overall policy of the company is reimbursable

b Materials, Supplies, and Equipment

The most economical movement of materials, supplies and equipment to the project and necessary return to storage including the associated costs of loading and unloading equipment, is reimbursable Transportation by a railroad company over its own lines in a revenue train is reimbursable at average or actual costs at rates which are representative of actual costs or at rates which the company charges its customers for similar shipments provided the rate structure is documented and

available to the public These rates are to be agreed to by the company State and FHWA No charge will be made for transportation by work train other than the operating expenses of the work train When it is more practicable or more economical to move equipment on its own wheels reimbursement may be made at average or actual costs or at rates which are representative of actual costs and are agreed to by the railroad State and FHWA

8 CREDITS FOR IMPROVEMENTS

- a. Credit shall be made to the project for additions or improvements which provide for higher quality or increased service capability of the operating facility and which are provided solely for the benefit of the company
- b. Where buildings and other depreciable structures of a company which are integral to operation of rail traffic must be replaced credit shall be made to the project as set forth in paragraph 9c(2) of Volume 6, Chapter 6 Section 2 Subsection 1, of the FHPM
- c. No credit is required for additions or improvements which are
 - (1) Necessitated by the requirements of the highway project
 - (2) Replacements which, although not identical, are of equivalent standard
 - (3) Replacements of devices or materials no longer regularly manufactured and the next highest grade or size is used
 - (4) Required by governmental and appropriate regulatory commission requirements

9 PROTECTION

The cost of essential protective services which in the opinion of a railroad company are required to ensure safety to railroad operations during certain periods of the construction of a project, is reimbursable provided an item for such services is incorporated in the State-Railroad Agreement or in a work order issued by the State and approved by FHWA

10. MAINTENANCE AND EXTENDED CONSTRUCTION

The cost of maintenance and extended construction is reimbursable to the extent provided for in paragraph 9f(5) of Volume 6, Chapter 6, Section 2, Subsection 1, of the FHPM and where included in the State-Railroad Agreement or otherwise approved by the State and FHWA.

11. LUMP SUM PAYMENTS

Where approved by FHWA, pursuant to paragraph 9d(3) of Volume 6, Chapter 6, Section 2, Subsection 1, of the FHPM, reimbursement may be made as a lump sum payment, in lieu of actual costs.

12. BILLINGS

- a. *After the executed State-Railroad Agreement has been approved by FHWA, the company may be reimbursed on progress billings of incurred costs. Costs for materials stockpiled at the project site or specifically purchased and delivered to the company for use on the project may be reimbursed on progress billings following approval of the executed State-Railroad Agreement or the written agreement under paragraph 10b of Volume 6, Chapter 6, Section 2, Subsection 1 of the FHPM.*
- b. *The company shall provide one final and complete billing of all incurred costs, or of the agreed-to lump sum, at the earliest practicable date. The final billing to FHWA shall include a State certification that the work is complete, acceptable, and in accordance with the terms of the agreement.*
- c. *All company cost records and accounts relating to the project are subject to audit by representatives of the State and/or the Federal Government for a period of three years from the date final payment has been received by the company.*
- d. *A railroad company must advise the State promptly of any outstanding obligation of the State's contractor for services furnished by the company such as protective services.*

MEMORANDUM
DEPARTMENT OF TRANSPORTATION

DATE December 22, 1981
SUBJECT REIMBURSEMENT FOR RAILROAD WORK -
MATERIAL HANDLING COSTS

FROM M. J. Sheehan, Rail Project Implementation Bur., Rm. 501, Bldg. 7A
TO ALL REGIONAL DIRECTORS
CC M. Toohey, Expenditures Unit, Rm. 418, Bldg. 5

D.J. Crowley
MJ:

In accordance with the M.U.R.K. manual and our memorandum dated October 16, 1978 the Region is responsible to insure that any handling charges applied against material cost by a railroad corporation is in fact a proper charge.

Material handling charges being defined as that labor and expense of handling the material and/or supplies within the railroad's stores or material yards and the loading or unloading of the material at the stores or material yards onto, into or from a transport vehicle for movement of the material to or from the job site.

The railroad may charge the following expense relative to material handling costs:

- (1) The actual and direct costs of handling and loading out of materials and supplies at and from railroad stores or material yards and of unloading and handling of recovered materials accepted by the railroad at its stores or material yards.
- (2) The actual and direct costs of handling and loading non-stock specially ordered materials shipped directly from the manufacturer or supplier to locations other than the job site and stored until ready for use at the project site.
- (3) At the option of the railroad, five (5) percent of the amounts billed for the materials and supplies as described 1 and 2 above may be applied in lieu of actual costs.

ALL REGIONAL DIRECTORS
December 22, 1981
page 2

To insure the proper application of material handling charges we have instructed Conrail and they have agreed to issue instructions to their field forces to indicate on their material forms, the origin of the material and supplies charged against the project in accordance with the following categories.

- (A) Conrail stored material that was delivered to the project site.
- (B) Conrail direct purchase of material required for the project, which material was shipped directly by the manufacturer or supplier to the project site.
- (C) Conrail direct purchase of material required for the project, which material was shipped directly by the manufacturer or supplier to locations other than the job site and stored until ready for use at the project site and subsequently shipped to the project site by Conrail forces.

Handling charges are only applicable under categories "A" and "C". Handling charges are not applicable under category "B".

Under category "C" your personnel should inquire as to why the material had to be shipped to other than the project site; i.e. coordination of the construction timing sequence, security reasons, other.

Should you or your staff have any questions or concerns kindly contact Mr. Dan Crowley of my staff at (518) 457-7330.

MJS:DJC:ds

CHAPTER VII

FINAL INSPECTION & ACCEPTANCE OF FORCE ACCOUNT PROJECTS

Projects which involve rail force account work should be divided into four categories:

1. Crossbuck Program
2. Grade Crossing Surface and/or Protection Improvement Program
3. Railroad Service Preservation and/or Improvement Program
4. Railroad Force Account work associated with Highway Contract

1. Crossbuck Program

After stakeout by railroad of post locations and inspection by Underground Facilities Protection Organization, the region inspects the locations as per standards. This saves completing an installation that does not meet specifications. After installation, Regional Personnel do a final inspection and a letter certifying the work and material is approved is sent to the Rail Safety Section with copies to the railroad involved. This letter also includes the final quantities of pay items.

2. Crossing Force Accounts

a. Signal Work Only

This work is monitored during construction. The signing of material sheets, i.e. 153B's in Conrail's case, certifies to the railroad involved that the material is accepted. Components of the electrical system listed on the material sheets are checked against the approved force account contract. When the signal systems are put in service, they are inspected by railroad signal inspectors. At this time, the Rail Safety Section is notified and a date for final inspection is set. The final inspection is done by a representative of the Rail Safety Section, a signal supervisor of the railroad and regional personnel.

Form RD 14 is made out at the final inspection and becomes a part of the final agreement.

b. Crossing Surface Force Accounts

In crossing surface force accounts where track and highway work is included, this work again is monitored during construction by the railroad project engineer and our regional personnel.

Final inspection of track and highway portions, acceptance of material, and final quantities is done by regional personnel and the railroad project engineer.

3. Rail Service Preservation and/or Improvement Program

Upon completion of the work, the regional construction inspector shall arrange for a final inspection which should include representatives of the railroad, the region and the Rail Project Implementation Section of the Main Office Rail Division. The inspection shall determine whether or not the work has been completed in satisfaction of terms and intent of the State/Railroad agreement. If necessary, corrective action shall be taken, and/or exceptions noted. The region shall then make a recommendation of final acceptance to the Rail Project Implementation Section who will notify the railroad of formal final acceptance by the Department together with any agreement conditions to be terminated and/or initiated. Final contract "as-built" documents should be prepared for each project.

4. Highway Program

The Regional EIC shall conduct the final inspection of completed railroad force account work. If necessary, corrective action shall be taken and/or exceptions noted. The Regional EIC shall issue a letter of final acceptance to the Railroad.

The EIC may request participation in the final inspection by the Rail Safety Section on projects which include railroad automatic protection and/or signal and communication work.

CHAPTER VIII

FINAL ESTIMATE AND PAYMENT

1. After final inspection and acceptance of the work, a list of minor deficiencies generally remains to be completed. The full acceptance of this work is generally based upon the completion of the remaining items of work to satisfaction of the EIC.

Upon completion of the final inspection, a list will be made of any work remaining to be done including corrective work. Final acceptance will be recommended upon completion of the remaining items of work to the satisfaction of the Regional Construction Inspector or EIC.

The Railroad may then prepare and submit a final bill for payment.

2. A final estimate is prepared by the EIC based upon the actual quantities of labor, material and equipment reported in the inspector's daily report MURK 11R. This final estimate could be prepared by the Railroad in those cases in which the work is periodically spot checked by the Region because of budget restraints. From this final estimate, or Force Account Summary, all previous approved payments are deducted to arrive at the amount of the last payment.